

FFY2013 PERM Audit Information

Every three years, DVHA is subject to the Centers for Medicare and Medicaid Services (CMS) Payment Error Rate Measurement (PERM) audit.

Background: The Centers for Medicare and Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program in response to the Improper Payment Information Act, 2002 [IPIA, Public Law 107-300,] enacted November 26, 2002. This act required federal agencies to review annually programs they oversee that are susceptible to significant erroneous payments, to estimate the amount of improper payments, to report those estimates to Congress and to submit a report of the actions the federal agency is taking to reduce erroneous expenditures. The Improper Payments Elimination and Recovery Act of 2010 (IPERA) enhances the IPIA of 2002 and aims to further reduce improper payments.

Providers that are included in the audit are selected based on a claims sample drawn by CMS from DVHA's universe of Medicaid claims data. The universe includes claims data that fall between Oct 1, 2012 and September 30, 2013 (FFY). For FFY2013, CMS PERM contractor, A+ Government Solutions, will be conducting the audit. The audit is to test for data processing accuracy and medical necessity.

Providers, selected in the sample, will be required to submit medical record and association documentation on their claims. A+ Government Solutions will be contacting these providers directly. Selected providers are required to participate, as stated in your signed Provider Enrollment Agreement:

To maintain and make available for inspection all medical, case or business records pertaining to the extent of services provided and any other information regarding payments, claimed or received, as they may pertain to the Department of Vermont Health Access programs. Additionally, the provider agrees to furnish these records and the other specified information to the Vermont Agency of Human Services, the U.S. Secretary of Health and Human Services and the Office of the Vermont Attorney General upon request. Such records shall be retained for seven (7) years;

In FY2010, the DVHA (VT Medicaid) PERM error rate was higher than the National average by 2.7%! The majority of Vermont errors were caused by providers who failed to submit medical record documentation and providers who failed to submit additional documentation. As a result, CMS required DVHA to implement a corrective action plan for the FY2013 PERM audit.

DVHA is seeking to achieve a lower PERM error rate. In order to reach this goal, DVHA's PERM medical record submission time limit allowance will vary from the National PERM time limits. The National Perm time limits allow 75 days to submit PERM initial requested medical records and adjoining documentation and 14 days to submit missing documentation from the received initial request. For the DVHA FY2013 PERM Audit, per the corrective action plan, DVHA has set its own medical record submission requirements:

PERM FY2013 - DVHA Time Limit Requirements:

Providers have 30 days from the date of receipt of notice to submit required claims medical records and adjoining documents to A+.

Providers have 7 days from the date of receipt of notice, of request for additional information to submit additional claims documentation for inaccurate medical record and adjoining documents, to A+.

Sanction for Non-Compliance:

DVHA will enforce a 10% withholding of RAs for all provider's that do not submit the required 30 day medical record and adjoining documents or the additional documentation within 7 days.